

Arnold Schwarzenegger
Governor

May 22, 2008
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Ms. Sandra Harmsen, Interim Director
San Bernardino County
Workforce Development Department
215 North D Street, Suite 301
San Bernardino, CA 92415

Dear Ms. Harmsen:

**WORKFORCE INVESTMENT ACT
FISCAL AND PROCUREMENT REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2007-08**

This is to inform you of the results of our review for Program Year (PY) 2007-08 of the San Bernardino County Workforce Development Department's (WDD) Workforce Investment Act (WIA) grant financial management and procurement systems. This review was conducted by Mr. David Davis from May 5, 2008, through May 9, 2008. For the fiscal portion of the review, we focused on the following areas: fiscal policies and procedures, accounting system, reporting, program income, expenditures, internal control, allowable costs, cash management, cost allocation, indirect costs, fiscal monitoring of subrecipients, single audit and audit resolution policies and procedures for its subrecipients and written internal management procedures. For the procurement portion of the review, we examined procurement policies and procedures, methods of procurement, procurement competition and selection of service providers, cost and price analyses, contract terms and agreements, and property management.

Our review was conducted under the authority of Section 667.410(b)(1), (2) & (3) of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WDD with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding financial management and procurement for PY 2007-08.

We collected the information for this report through interviews with representatives of WDD, a review of applicable policies and procedures, and a review of documentation retained by WDD for a sample of expenditures and procurements for PY 2007-08.

BACKGROUND

The WDD was awarded WIA funds to operate a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system.

For PY 2007-08, WDD was allocated: \$3,433,445 to serve 1,320 adult participants; \$3,552,857 to serve 482 youth participants; and \$2,933,181 to serve 394 dislocated worker participants.

For the quarter ending March 31, 2008, WDD reported the following expenditures and enrollments for its WIA programs: \$2,110,368 to serve 1,115 adult participants; \$2,372,800 to serve 486 youth participants; and \$1,588,208 to serve 336 dislocated worker participants.

FISCAL REVIEW RESULTS

We conclude that, overall, WDD is meeting applicable WIA requirements concerning financial management.

PROCUREMENT REVIEW RESULTS

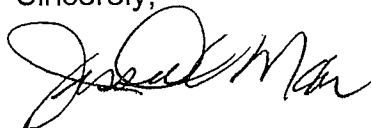
We conclude that, overall, WDD is meeting applicable WIA requirements concerning procurement.

This report contains no findings or concerns; therefore, we are issuing this report as the final report.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is WDD's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Consequently, any deficiencies identified in subsequent reviews, such as an audit, would remain WDD's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mr. Jim Tremblay at (916) 654-7825 or Mr. David Davis at (916) 654-8332.

Sincerely,



JESSIE MAR, Chief
Compliance Monitoring Section
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